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SUBJECT: JOHANNESBURG BUS RAPID TRANSIT (BRT) ROLL-OUT A SUCCESS, WITH MINOR LABOR UNREST

¶1. The City of Johannesburg launched its long-awaited Bus Rapid Transit (BRT) system on August 30, 2009. Independent taxi operators staged a mild protest with a 'go slow' on August 31, and there were reports of isolated acts of violence over the following three days which police believe were perpetrated by individual taxi operators. This first phase of the BRT roll-out had been postponed in June 2009 following an outcry against the BRT system from the taxi operators and a more organized campaign of violence and protest. The full BRT is expected to be implemented no later than January 2010.

Background

¶2. The BRT coaches, also known as Rea Vaya, each carry up to 90 people. Rea Vaya stations are located along major Johannesburg commuting routes, spaced about half a kilometer apart. The two billion rand (USD 254 million) BRT project was approved by Johannesburg City in 2006; this was modeled on municipal bus systems in cities like Bogota and Mexico City. The country-wide BRT system was proposed by participating South African cities as part of their local transport plans, but it also forms part of South Africa's broader national strategy to create integrated public transport systems. Johannesburg is the first city to get the system running, but Cape Town, Port Elizabeth and other cities plan their own BRT networks. The first phase of the Johannesburg BRT is expected to raise 1.5 billion rand (USD 195 million) in annual revenues. To win buy-in from the powerful independent taxi (minibus) operators, BRT and municipal officials have offered to share approximately 150 million rand (19.5 USD million) of BRT revenue with participating operators.

¶3. Municipal officials recognize that the BRT system will displace taxi operators working on the routes earmarked for the BRT. Approximately 575 taxi operators will be affected when the full BRT is in place. The proposed Johannesburg City plan is that taxi owners and operators become part-owners of the Bus Operating Companies (BOCs) that will run the BRT and be contracted to the city. The debt for the buses will also be passed on to the BOCs.

Taxi Industry goes on strike

¶4. In April 2009, thousands of taxi drivers embarked on a one-day strike against Johannesburg's BRT system. They accused the municipal government of 'stealing' business from the taxi industry. The strike was not coordinated with or through the powerful Congress of South African Trade Unions (COSATU). Taxi operators blocked major highways and routes; sporadic violence around town was reported. The South African Department of Transport and COSATU criticized the taxi operators for disrupting traffic and putting the lives of commuters at risk. The former Minister of Transport (and now Minister of Justice) Jeffrey Radebe publicly stated that the BRT will be a 'win-win' situation' for all South Africans, arguing that the taxi operators would suffer no loss of profit or jobs. Following the protest and violence, Johannesburg shelved plans it had to roll out the BRT system prior to the recently-completed FIFA Confederations Cup tournament (in June 2009), preferring instead to start Rea Vaya without the world's attention on South Africa.

¶5. On August 17 the South African National Taxi Council

(SANTACO) issued a strike notice to protest the new public system on August 27. The City of Johannesburg vowed to go ahead with the rollout on August 30, despite the SANTACO threat of a national strike. Following ongoing negotiations between taxi operators and city officials, the strike was called off by the South African Taxi Association (SATA); however, SANTACO and some taxi operators did conduct a 'go slow' on Aug 31, the first work day after the rollout, which affected some commuters along non-BRT routes and outer Johannesburg areas.

Violent actions against the BRT

¶6. On September 2, 2009 assailants shot at two BRT buses in Soweto, despite the heavy security presence of 350 soldiers, police officers and metro cops assigned to BRT stations and along the bus routes. Police have not identified the shooters, but voiced suspicion that independent taxi operators were involved in the incidents. In addition, there were isolated reports that some taxis blocked individual BRT routes near the Noord Street taxi station. Police arrested one taxi driver and impounded his taxi; no other arrests have been made in relation to the shootings. Following the September 2 events, the City of Johannesburg has committed itself to maintaining significant and prominent security measures in support of the BRT system.

Taxi industry not pleased with the absence of government's funding model

¶7. South African National Taxi Council (SANTACO) spokesperson Phillip Taaibosch told Consulate Labor specialist that government had not adequately explained to independent taxi operators how the Rea Vaya bus rapid transit would compensate those taxi owners who traded in their business for a stake in the new system. Taaibosch maintained that government has not produced a funding model of the BRT project outlining its sustainability and its ability to integrate taxi operators. According to Taaibosch, the BRT model is built on taxi operators surrendering their taxi operation licenses for a stake in an operation company that will run the new bus system; the taxi operators are concerned with the city's lack of clarity on the financial implications for the taxi industry.

¶8. Lisa Sefton, Johannesburg's Executive Director of Transport, stated that the city would guarantee a minimum income to the operating company created to run the buses. Sefton noted that the city would make its financial model public only after concluding negotiations with the taxi associations affected by the BRT roll-out. According to Sefton, there are 10 separate taxi associations in Johannesburg, of which nine had signed up to negotiate with the city.

¶9. Coment:

The BRT system roll out on August 30, 2009 was preceded by strong resistance from SANTACO. However, nine other taxi associations are already involved in the negotiations process, and the City of Johannesburg may yet conclude successful financial negotiations to win their buy-in. SANTACO does not in principle oppose the BRT system, but the operators are not yet willing to commit themselves to a deal that has no clear financial plan for the industry. The City of Johannesburg is committed to the BRT system. SANTACO, as the only taxi association out of the ten South Johannesburg taxi associations not yet on board, will eventually have to work within the Johannesburg City proposal. Both sides realize that, with only nine months to go until the 2010 FIFA World Cup, the negotiations between the City of Johannesburg and the Taxi industry must not be delayed any further. City and national security officials have made clear that they will not tolerate violence by the taxi associations, and will maintain strong security measures in support of the BRT.